Budgeting Best Practices: Budget Monitoring and Performance Measures

Government Finance Officers Association

March 10, 2020

Introductions

Introductions

- Speed Networking!!

- What do you hope to get from today?

- Pre-session Survey Observations

Instructors

- **Elizabeth Holleb, CPA**
  - Director of Finance – City of Lake Forest, Illinois
    - Population – 19,000+
    - Aaa Bond Rating
    - Distinguished Budget Presentation Award
  - GFOA Committee on Governmental Budgeting & Fiscal Policy

- **Maria Zuniga**
  - Operations Excellence Manager – Bernalillo County, New Mexico
    - Population – 674,000+
    - Aaa Bond Rating
    - Distinguished Budget Presentation Award – Special Performance Measures Recognition
    - ICMA Certificate of Performance Excellence Award
  - GFOA Budget Book Reviewer

Stuff You Need to Know

Course Objectives

- Through an interactive, collaborative and engaging process, by the end of the day we'll enhance your ability to:

1. Understand the value of budget monitoring

2. Identify budget information that is relevant to the unique needs of various stakeholders

3. Understand GFOA best practice guidelines

4. Recognize what performance measures are…and what they are not

5. Understand the advantages and challenges when developing and implementing performance measures

6. Provide creative tools to reach larger audiences

Performance Measures

What is a Performance Measure?

- **Measurable services that strive to achieve targets**
  - ✓ Achieves strategic plan goals

✓ Drives the business strategies

Increased Efficiency
Doing things in the right manner. Is efficiency increased by doing work faster, with fewer resources or less overtime?

Increased Effectiveness
Doing the right things. Is effectiveness increased by eliminating errors or better meeting the public need?

Cost Avoidance / Risk Mitigation
Are risks being mitigated? Are costs being avoided?

Transparency
Is visibility enhanced? Is there transparency?

Innovation
Are processes and technologies being used to do things differently, implement new ideas, or enhance services?
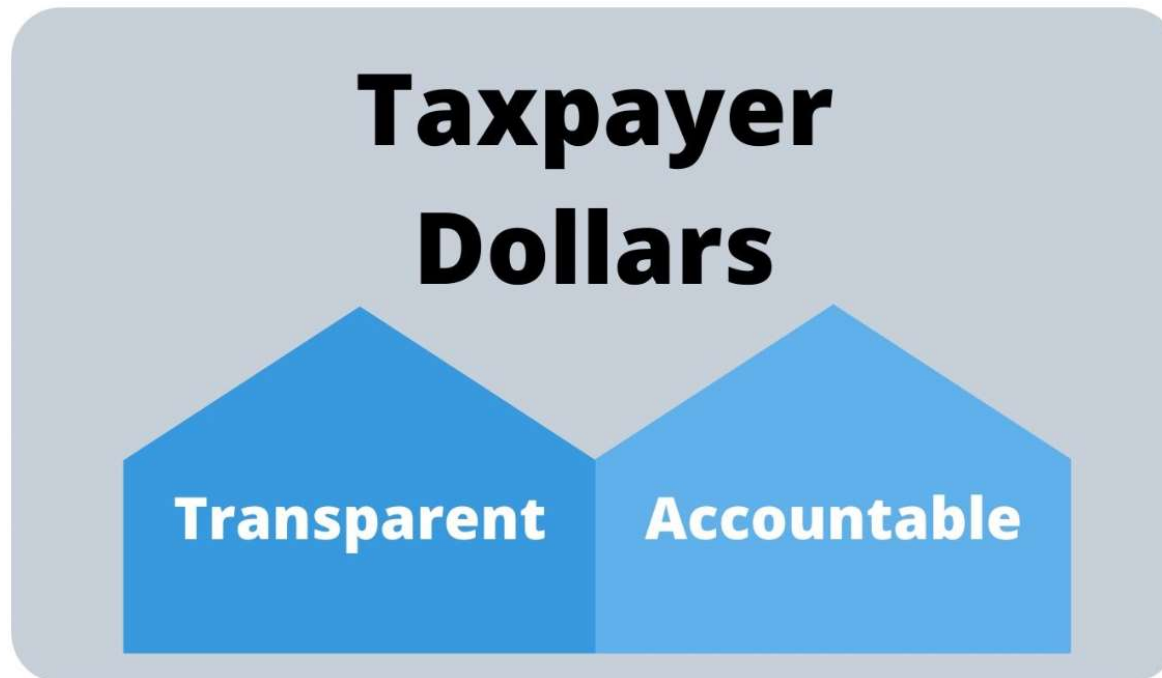
Why measure performance?

- **GFOA Best Practice – Performance Measures**

- Performance measures are used by governments to collect information about operational activities, achievement of goals, community conditions, or other environmental factors to better understand a situation and make informed decisions.
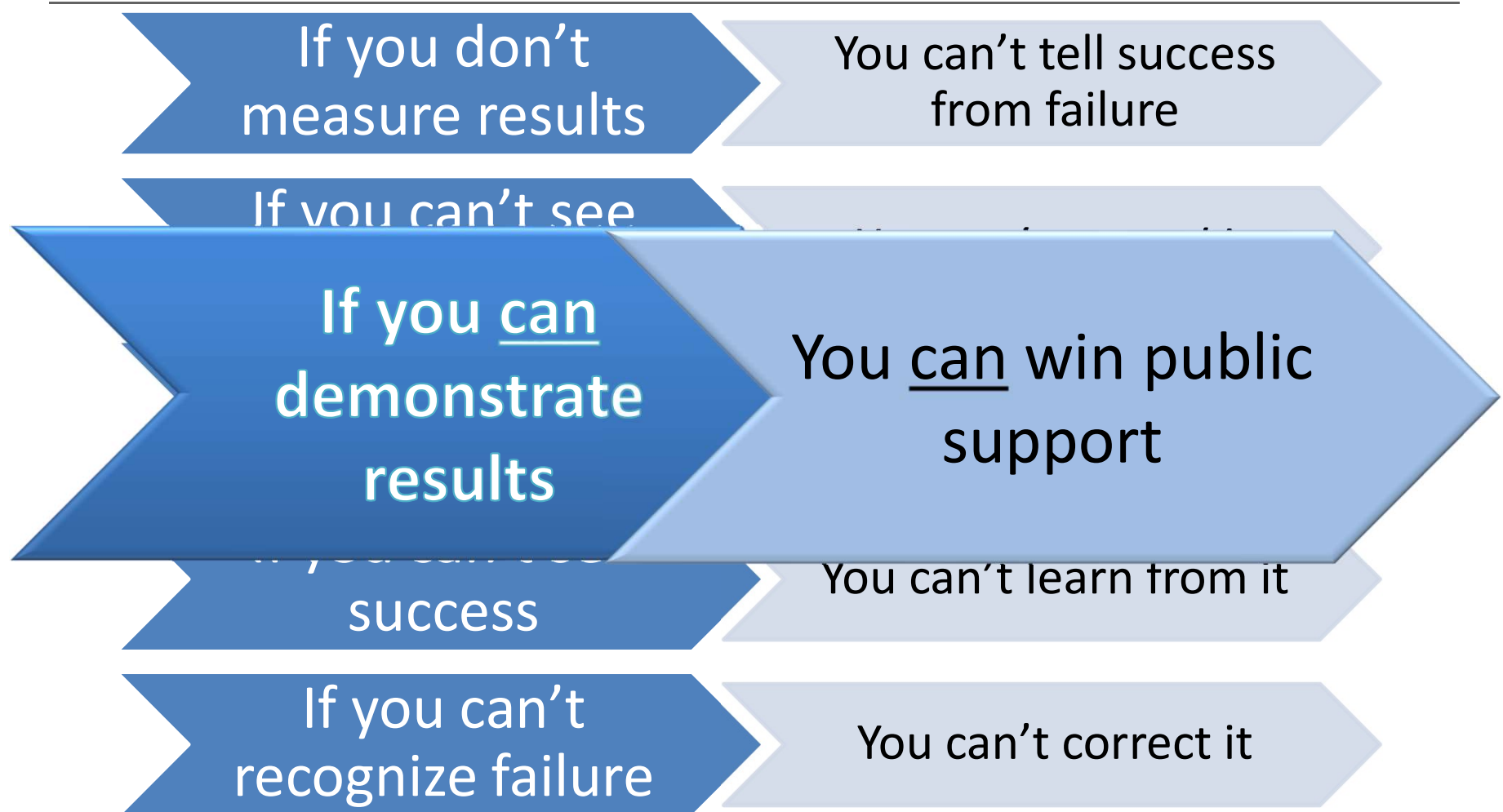
Why measure performance?

- So we know how we are doing
  - Data-driven decision making
  - Not just anecdotal
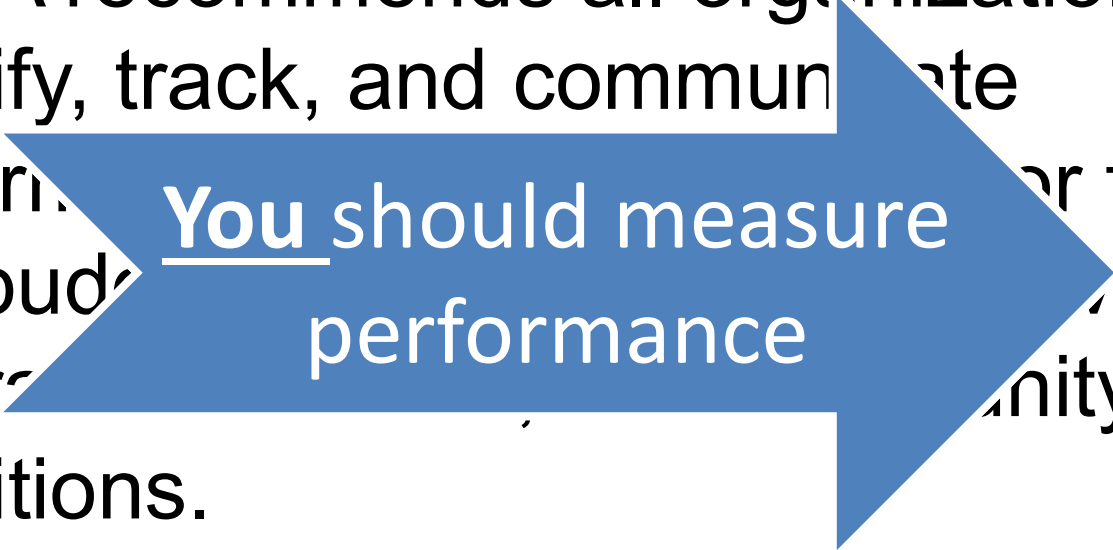- So others know how we are doing

Taxpayer Dollars

Transparent   **Accountable**

Why measure performance?

If you don't measure results → You can't tell success from failure

If you can't see ...

If you <u>can</u> demonstrate results → You <u>can</u> win public support

... success → You can't learn from it

If you can't recognize failure → You can't correct it

David Osborne and Ted Gaebler. 1992. *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector.*

Who should measure performance?

- GFOA recommends all organizations identify, track, and communicate performance ~~~~ financial and bud~~~~ ~~~~ery, progr~~~~ ~~~~nity conditions.
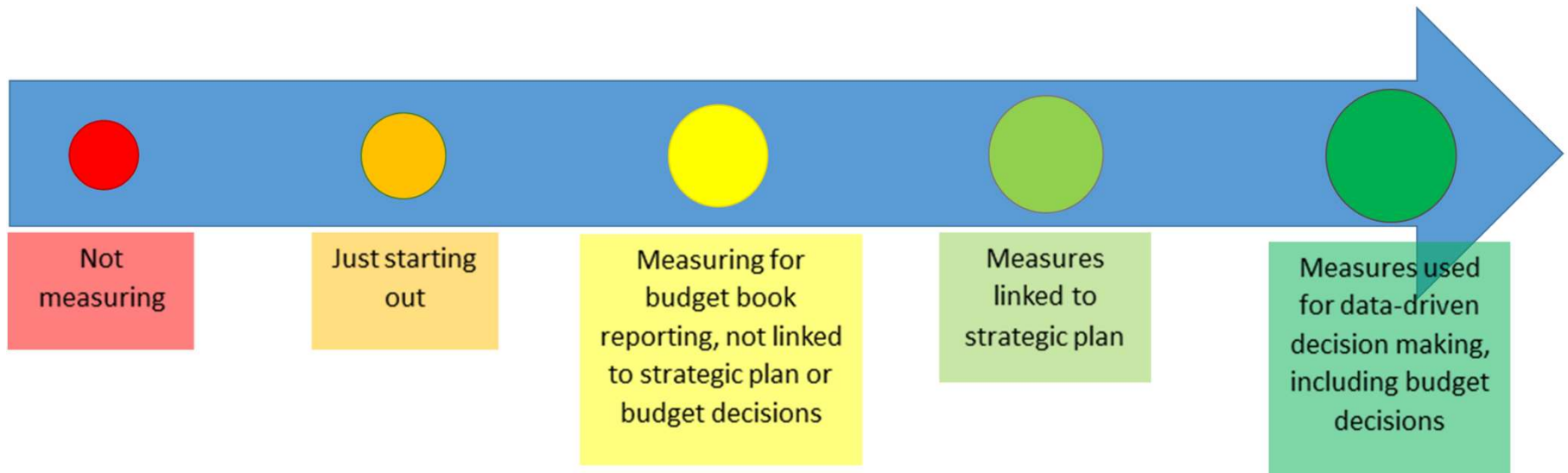
You should measure performance

Case Studies in Performance Measurement

Performance Journey

- Where is your organization on the spectrum of performance?

| Not measuring | Just starting out | Measuring for budget book reporting, not linked to strategic plan or budget decisions | Measures linked to strategic plan | Measures used for data-driven decision making, including budget decisions |

Performance Journey

- Lake Forest

- Bernalillo County

Lake Forest
Performance Measures Journey

GOAL NO.	PERFORMANCE MEASUREMENTS	CORE/ ELECTIVE	"5-YR AVG BENCHMARK	"FY'12	"FY'13 YTD
9	Annual total of traffic and non-traffic violations processed by Records Section	Core	5,265	2,378	
	Annual total of crashes processed by Records Section		583	313	
10	Annual total of complaints related to animals (calendar yr)	Core	442	186	
11	Annual total of presentations on crime prevention related to traffic safety and home security (calendar yr)	Elective	17	23	
	Annual total of presentations on school safety by School Resource Officer (calendar yr)	Elective	187	23	
PUBLIC WORKS					
1	Infrastructure Management Services (IMS) City wide Pavement rating number (conducted every 5 yrs) (90 and above is excellent)	Core	78	75	
2	IDOT Sufficiency Rating for 14 City-owned vehicular bridges (greater than 50 considered satisfactory per Federal guidelines)	Core	77.1	78.6	
	IDOT Sufficiency Rating for 7 City-owned pedestrian/bike path bridges		58.5	60.8	
3	Average number of structures (catch basins) cleaned on a monthly basis to maintain storm sewer flows	Core	961	708	
4	Average number of structures and sink holes repaired to reduce erosion and infiltration	Core	71	76	
5	Average number of water main breaks repaired on a monthly basis (low number indicate less stress on 165 miles of water distribution system)	Core	43	45	
6	Average miles of sewer cleaned on a yearly basis (City maintains 367 miles of sanitary and storm sewers)	Core	12.9	8.1	
7	Average number of residential inquiries related to water treatment & production on a yearly basis	Core	1	1	
8	Average number of modules (fibers) repaired per month (total 196 modules with 35,000 fibers in each module)	Core	224	191	
9	Average number of unscheduled Water Plant shutdowns per month (lower number result in efficient operation)	Core	4	3	
10	Annual average number of City Buildings maintenance checks completed (performed weekly)	Core	383	397	
	Annual average number of HVAC filter replaced in City buildings (performed quarterly)		1,417	1,160	
	Annual backflow preventer inspected & certified on all City Buildings		87	87	

Lake Forest
Performance Measures Journey

Department/Section	Service	Description	Assessment
Community Development	Plan Reviews/ Permit Issuance/ Inspections	Examine plans for compliance with applicable codes, regulations. Coordinate reviews by other sections as needed. Upon confirmation of compliance, issue permit to authorize construction. Visit job sites as required by the Code to assure safe construction, cleanliness of site and	Core
	City Code Maintenance/ Updating	Support of Boards and Commissions to review, update, modify various provisions of the code periodically to reflect new laws, court decisions, development trends, community goals.	Core
	Development Reviews	Consideration of all petitions related to development and redevelopment of properties throughout the City.	Core
	Code Enforcement	Response to complaints about nuisances and non-compliance with Code.	Core
	Long-range Planning	Manage process and offer support to Boards, Commissions, City Council, City staff, institutions and the overall community on the development and updating of broad and focused long-term plans including: Comprehensive Plan, CBD studies, Master Plans for community institutions and various special studies.	Core

Lake Forest
Performance Measures Journey

- Goal: Re-engineer annual budget document to submit for GFOA's Distinguished Budget Presentation Award
  - Three year plan
  - Used GFOA budget award criteria as road map
- City Manager's Office to develop Performance Measures
- Finance to make all other changes to document

Lake Forest
Performance Measures Journey

- **ICMA Performance Management Initiative**
  - OCM reporting with little involvement of operating departments
  - Results invalid due to poor reporting
    - Garbage in, Garbage out
  - Program abandoned in February 2016

- **Northern Illinois Benchmarking Cooperative**
  - 12 participating communities
  - Partnership with University of Illinois at Chicago
  - Year 1 – focus on law enforcement
  - Year 2 – focus on fire services

Lake Forest
Performance Measures Journey

Lake Forest
Performance Measures Journey

Lake Forest
Performance Measures Journey

Lake Forest
Performance Measures Journey

Goals

Annual Organization Goals

To be developed in 2019 for FY2021 Budget

Department Objectives

Identified in budget narratives; emphasize link to strategic plan

Performance Measures

Emphasize qualitative measures over quantitative measures

Lake Forest
Performance Measures Journey

City of Lake Forest
Organizational Performance Measures
FY2021 Budget

Mission Statement: "Be the best-managed, fiscally-responsible and appealing community and promote a community spirit of trust, respect and citizen involvement."

The Mayor and City Council have established the following Organizational Performance Measures. These measures are intended to further initiatives identified in the City's FY2018 – FY022 Strategic Plan:

Fiscal Stewardship

	TARGET	FY2018 Actual	FY2019 Actual	FY2020 Budget	FY2020 Estimate	FY2021 Budget
Bond Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
General Fund Balance % of Revenues	35% plus Sick/Vac liability	79.0%	74.4%	79.4%	XX%	XX%

- The City's Aaa Bond rating from Moody's Investors Service was affirmed in November 2019 in conjunction with the City's 2019 General Obligation Refunding Bonds issue.
- General Fund reserves are critical to ensuring the City's ability to address unanticipated impacts to revenues or expenses. Due to concerns with the State of Illinois' fiscal crisis, as well as potential loss of State-shared revenues or limitations on the City's ability to levy property taxes, the City has increased its General Fund reserves.

Lake Forest
Performance Measures Journey

Strategic Plan Priority Goals
FY2018 – FY2022

Fiscal Stewardship: As an Aaa Bond-rated community, the City of Lake Forest is financially sustainable, efficient, community-oriented and values its employees.

Business & Economic Vitality: The City recognizes the importance of economic health in the community, promoting innovation, competitiveness and entrepreneurship in Lake Forest.

Housing Diversity & Residential Development: The City has a balanced approach to quality development, redevelopment and adaptive reuse that supports a strong and diverse community with ever-changing needs.

Community Character, Safety & Health: The City of Lake Forest is a community that supports and enhances the well-being, success and achievement of children, youth and families by providing exceptional safety and security of its residents, businesses, employees and visitors.

Environmental Sustainability, Leisure & Recreation: Lake Forest respects, protects and enhances the health of its citizens and the quality of its natural environment.

Multi-Modal Transportation & Infrastructure: A multi-modal transportation network that supports sustainable land use and provides internal mobility and regional connectivity for Lake Foresters.

Lake Forest
Performance Measures Journey

Fiscal Year: 2021

Legislative and Administrative Departments
(Office of the City Manager, City Clerk, LFTV and City Council)

Mission Statement

The Office of the City Manager fosters an enduring organizational culture that adheres to the City's Core Values, promotes excellence in the delivery of services, and provides sound leadership while fulfilling the expectations of the community in a fiscally responsible manner.

Vision Statement

The Office of the City Manager will continue to provide high quality service to the residents, business community, City government and City employees and adapt to the changing needs of the community for services at City Hall.

FY2020 Highlights

- Completed first year of "MetraMore" commuter service Pilot Program
- Participated in Northern Illinois Benchmarking Cooperative (NIBC)
- Completed land transfer of City-owned McCormick Ravine
- Participated in inter-departmental team to implement a shared digital repository for City documents
- Implemented online application process for annual landscape and liquor license program
- Assisted the Police Department in launching an internal Parking Advisory Committee
- Assisted Finance Department in adoption of new Electronic Content Management software

FY2021 Initiatives and Programs

- Engage in a new City-wide marketing and communications strategy campaign
- Explore expansion of Northern Illinois Benchmarking Cooperative (NIBC)
- Lead implementation of new City Web Site
- Assist City Council with implementing a new Environmental and Sustainability Committee
- Assist Department of Innovation & Technology in adoption of new Work Order and Citizen Request Management software
- Assist Finance Department and Department of Innovation & Technology with implementation of City-wide performance management program
- Update the City of Lake Forest records application with the State of Illinois
- Review success of MetraMore Pilot Project and explore infrastructure improvements to enhance future commuter train service.

FY2021 Budget Notes

- $50,000 in marketing and communications for continuing City-wide marketing and communications efforts

Performance Measures	FY2018 Actual	FY2019 Actual	FY2020 Projected	FY2021 Target
Average % of Followers Reached Per Facebook Post[1]	-	38%	31%	35%
Average % of Followers Reached Per Instagram Post[1]	-	-	18%	25%
E-Newsletter Open Rate[1]	56%	59%	62%	60%
Average number of days to respond to FOIA requests[2]	4.75	3.26	2.10	<5 days

[1]Data reported from OCM Accounts only ("City" pages vs. departmental)
[2]Data reported on Calendar Year Basis (Jan. 1 – Dec. 31)

Lake Forest
Performance Measures Journey

- **For Fiscal Year 2021**
  - Develop reporting of measures on City web site
  - Develop first Budget in Brief
  - Develop first Popular Annual Financial Report

Bernalillo County Strategic Plan & Performance Journey

Performance Measures in Budget Book only

No real focus on measures in budget meetings

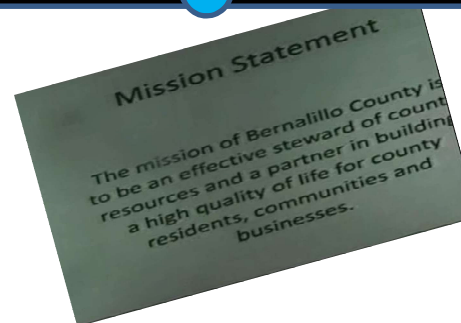**Develops first ever Strategic Plan with assistance from ICMA**
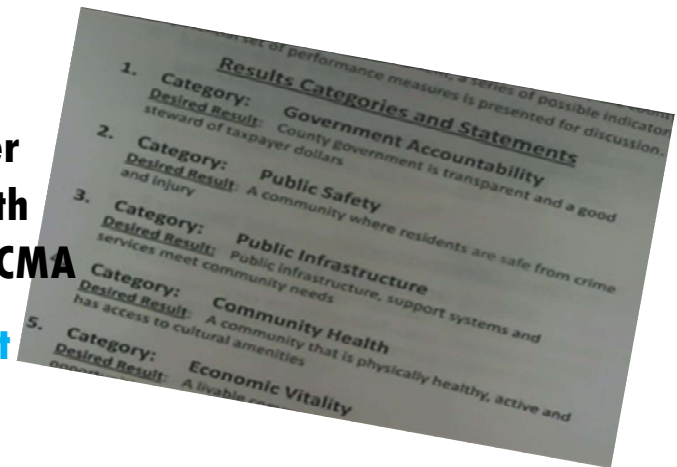
Some Public Input

PRE-2011

2012

2011

Joins ICMA Center for Performance Measurement (CPM)

2012

Leadership revises & standardizes departmental performance measures
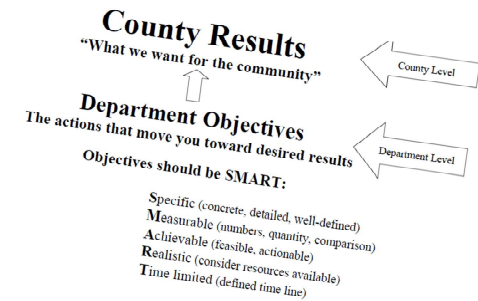
Departments required to enter data into CPM templates

Bernalillo County Strategic Plan & Performance Journey

COUNTY MANAGER: County Strategic Plan
County Commission   April 23, 2013

Strategic Plan adopted by Commission 10 page powerpoint

2013

SMART Performance Measure & Objective training

ICMA awards county first-ever Certificate of Achievement in Performance

2013

Why

Who and What

County Results
"What we want for the community"

County Level

Department Objectives
The actions that move you toward desired results

Department Level

Objectives should be SMART:

Specific (concrete, detailed, well-defined)
Measurable (numbers, quantity, comparison)
Achievable (feasible, actionable)
Realistic (consider resources available)
Time limited (defined time line)

2013

Transparent Performance Book on public webpages

Performance Measures	Actuals Qtr. 1	Actuals Qtr. 2	Actuals Qtr. 3	Actuals Qtr. 4	YTD Actuals	2014 Target
New estates opened	199	193			199	500 EA
Pro Se filings	65.67%	69%			65.67%	60%
Total contacts	2,744	2,363			2,744	9,500 EA
Process electronic requests within 7 days	100%	100%			100%	95.0%
Outreach events per year	5	1			6	7 EA
People contacted through outreach events	230	8			230	250 EA

2014

County conducts Community Survey through Research & Polling

ICMA awards county it's second Certificate of Achievement in Performance

Bernalillo County Strategic Plan & Performance Journey

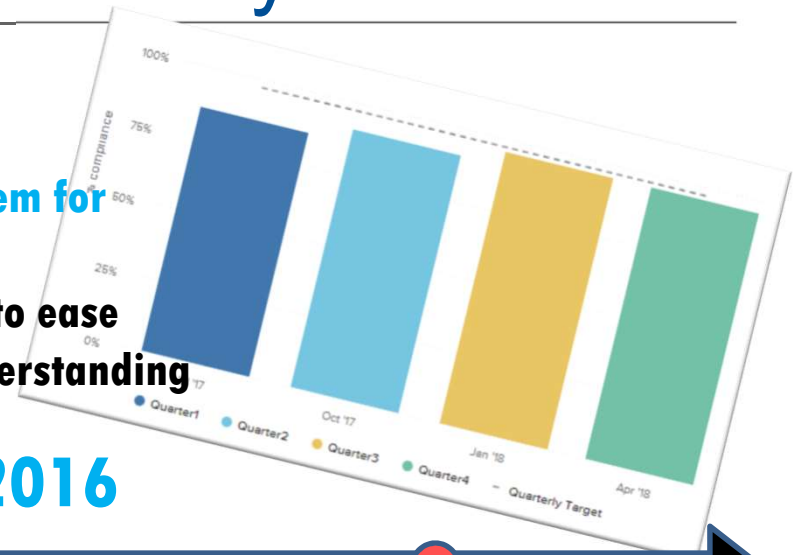**OEO researches leaders in performance management**

Proposes 6 areas of improvement, includes dashboards & webpages

Procure system for performance dashboards to ease access & understanding

Early 2016

Late 2016

Mid 2016

Focus on Measuring What Matters

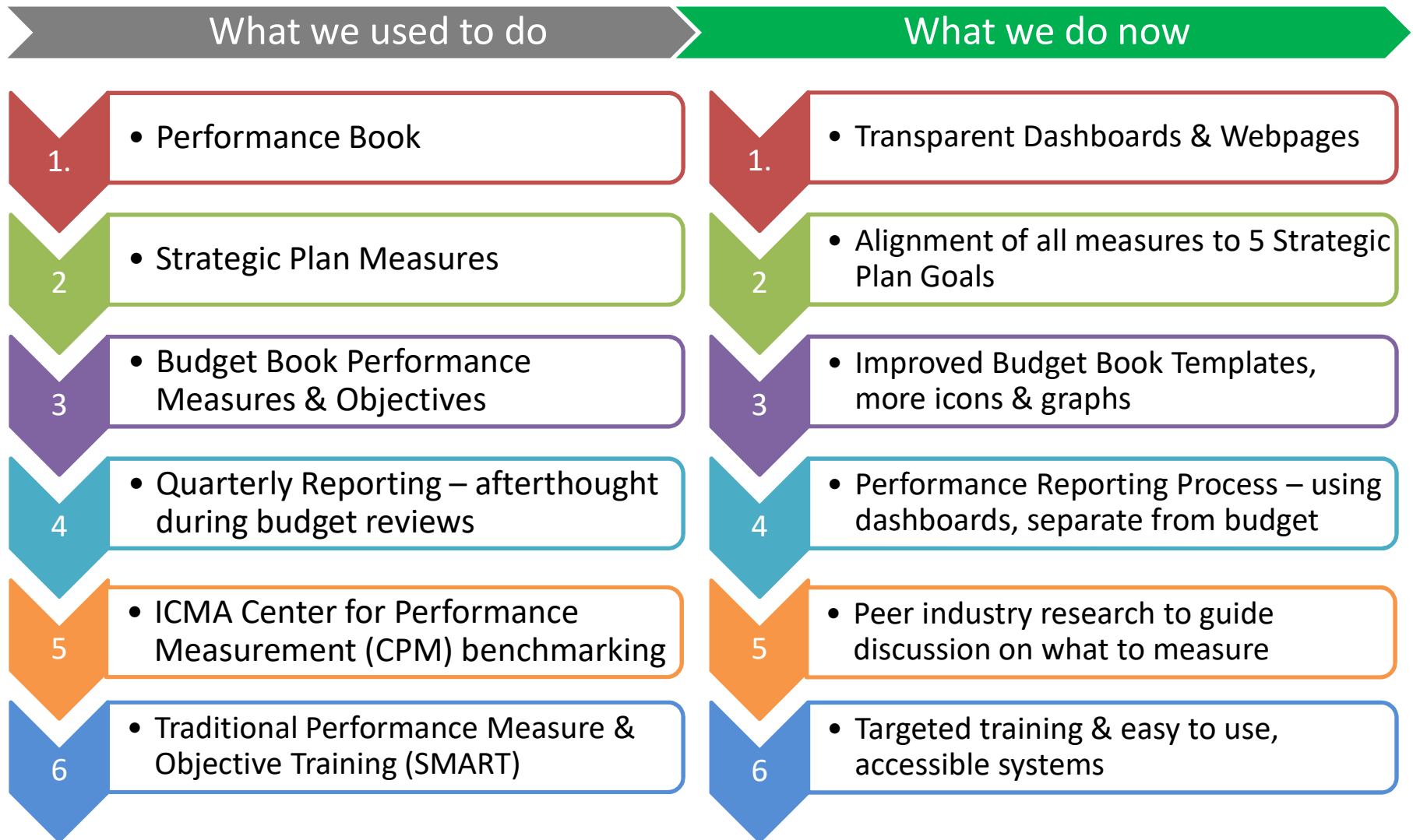**Departments are experts in services provided, they decide what to measure**

Early 2017

OEO designs & builds transparent dashboards and webpages for performance measures

P174: Complete standard work orders within 7 working days (Fixed Assets)

Needs Focus

6 Areas of Improvement

What we used to do	What we do now
1. • Performance Book	1. • Transparent Dashboards & Webpages
2 • Strategic Plan Measures	2 • Alignment of all measures to 5 Strategic Plan Goals
3 • Budget Book Performance Measures & Objectives	3 • Improved Budget Book Templates, more icons & graphs
4 • Quarterly Reporting – afterthought during budget reviews	4 • Performance Reporting Process – using dashboards, separate from budget
5 • ICMA Center for Performance Measurement (CPM) benchmarking	5 • Peer industry research to guide discussion on what to measure
6 • Traditional Performance Measure & Objective Training (SMART)	6 • Targeted training & easy to use, accessible systems

Bernalillo County Strategic Plan & Performance Journey

First Strategic Plan book prepared (was 10 page powepoint before)

Launch webpages for transparent live-interactive strategic plan & performance measures

Early 2017

Performance Recap presented to Commission

Focus on **Measuring What Matters** continues

Early 2018

FY18 Performance Recap
Increa (27.0 %
Increased Effectiveness   Increased Efficiency

Mid-late 2017

New process for performance measures implemented

Obtains higher level performance award, ICMA **Certificate of Distinction**

1. Build Foundation

2. Develop Framework

3. Analyze & Review Performance

Mid-2018

Receives ICMA **Certificate of Distinction** award again

2017 CERTIFICATE OF DISTINCTION In Performance Management ICMA

2018 CERTIFICATE OF DISTINCTION In Performance Management ICMA

Bernalillo County Strategic Plan & Performance Journey

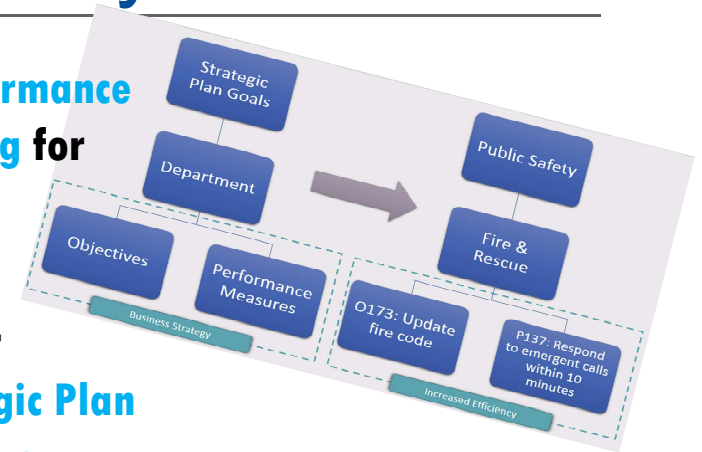**Receives highest level award Certificate of Excellence in Performance from ICMA**

Receives first-ever GFOA Special Recognition for Performance Measures

Early 2019

Conducted performance measure training for SMEs

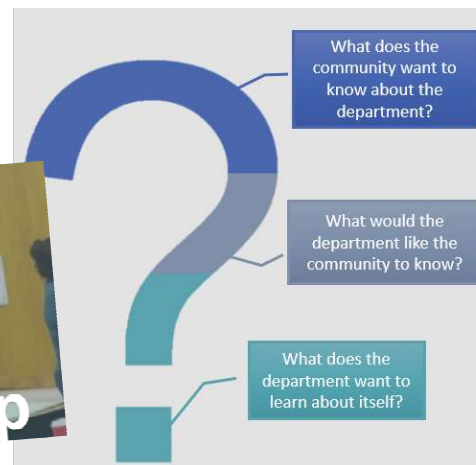**Commission presentation for FY21/22 Strategic Plan**

Early 2020

Late 2019

Conducts Focus Group to improve transparent strategic plan & department performance webpages

Going Forward

Continue to evolve the culture for excellence in performance management & measuring what matters

Looks for ways to improve processes

Training Video – Navigating Strategic Plan & Department Performance

How to Measure Performance

Why do you exist?

- **Mission Statements for each department**
  - ✓ Keep it short & simple
  - ✓ Focus on **"Why do you exist?"**
  - ✓ Memorable & easy to memorize
  - ✓ Easily understood
  - ✓ What do we want to be remembered for?

Department Activities Start Here!

- Each group will be given a generic city/county department

- Group will use this department to…

  1. Write Mission

  2. Develop Services

  3. Develop Performance Measures

  4. Review Industry Research

  5. Measure What Matters

Mission Statement

The mission of _____

(name of group)

is to _____

(key services delivered)

to / for _____

(customers)

so that _____.

(results to be achieved)

Mission Statement (Example)

The mission of _____ *the Solid Waste Department* _____
(name of group)

is to _____ *provide refuse and recycling collection* _____
(key services delivered)

to / for _____ *residents and businesses* _____
(customers)

so that _____ *there is a clean sustainable environment* _____.
(results to be achieved)

What do you do?

- ## What **services** do you provide?
  - This part is harder than you think
  - Takes some effort to build a good, succinct list of services for each department

✓ Break it up by sections in each department (easier to get more focused short lists of services this way)

✓ 3-5 bullets per section

✓ Start with "action" words

Adding Action Words to Services

Fill in the blank…below is a list of performance measures. What action word do you think best describes what the department is trying to achieve?

1. **Procure** tangible personal property, services and construction for departments

2. **Manages** recruitment, job fairs, job postings, selection, and hiring process

3. **Create** all the underlying databases for county applications

4. **Provides** all patrol and traffic related activities

5. **Enforce** fire and safety codes and ordinances

6. **Evaluate** all major systems at county facilities for replacement

Procurement and Business Services
Planning & Brainstorming Matrix

Why do we exist? (Mission)	The Procurement and Business Services Department continuously strives to deliver the highest level of customer service to user departments and vendors while ensuring purchases and vendor payments are in alignment with state statutes and that solicitations are transparent, fair and competitive while providing the utmost value to maximize public funds.

Sections	Accounts Payable	Purchasing	Travel
What do we do? (Services)	Review and identify any significant changes – highlighted sections indicate areas for potential performance measures		
	• Issue prompt and accurate payments; transfers and disbursements to vendors, employees and others • Maintain the Vendor Master File • Disburse Internal Revenue Service (IRS) Form 1099 to applicable vendors and file with the IRS	• Procure tangible personal property, services and construction for all county departments including management and oversight of all procurements utilizing federal, state, and local appropriations • Manage contracts • Maintain the Credit Card Program	• Review and approve the Travel/Registration Form (TRF) after submission by the Travel Liaison (TL) • Ensure that employees are assigned a credit card with travel permissions • Ensure that travel advances and reimbursements checks processed • Verify travel-related expenditures are reconciled properly by the Reconciler and the Travel Liaison

Objectives – Short-term initiatives, or projects, with a beginning and end date, action steps and a measurable target that achieves the county's business strategies (e.g. efficiency, effectiveness, cost reduction, transparency).

Projects, Priorities & Initiatives	What is planned for FY21/22? Add upcoming projects, initiatives & priorities. This will be used to identify potential new objectives. Not all items listed will become an objective tracked through the performance process.		
	• Archiving vendors – should be complete FY20 • Automate PO close process	• Pay equity preference • Contracts in OpenGov •	• Implement automated advances • Implement automated reimbursement • Implement multi travelers – FY21/22
Existing Objectives	Review existing objectives. If complete prior to 6/30/20, establish new objectives.		
	•	• O165 Reduce the number of desktop printers, network printers, copiers for move to Alvarado Square - complete • O166 Implement electronic bids for online solicitation	•
New & Carry Forward Objectives	After projects, initiatives and priorities for FY21/22 are identified, as well as existing objectives, determine which will be tracked as new and carry forward objectives.		
	•	•	•

Performance Measures – Services performed that are measurable and strive to achieve targets that align to the county's business strategies and goals.

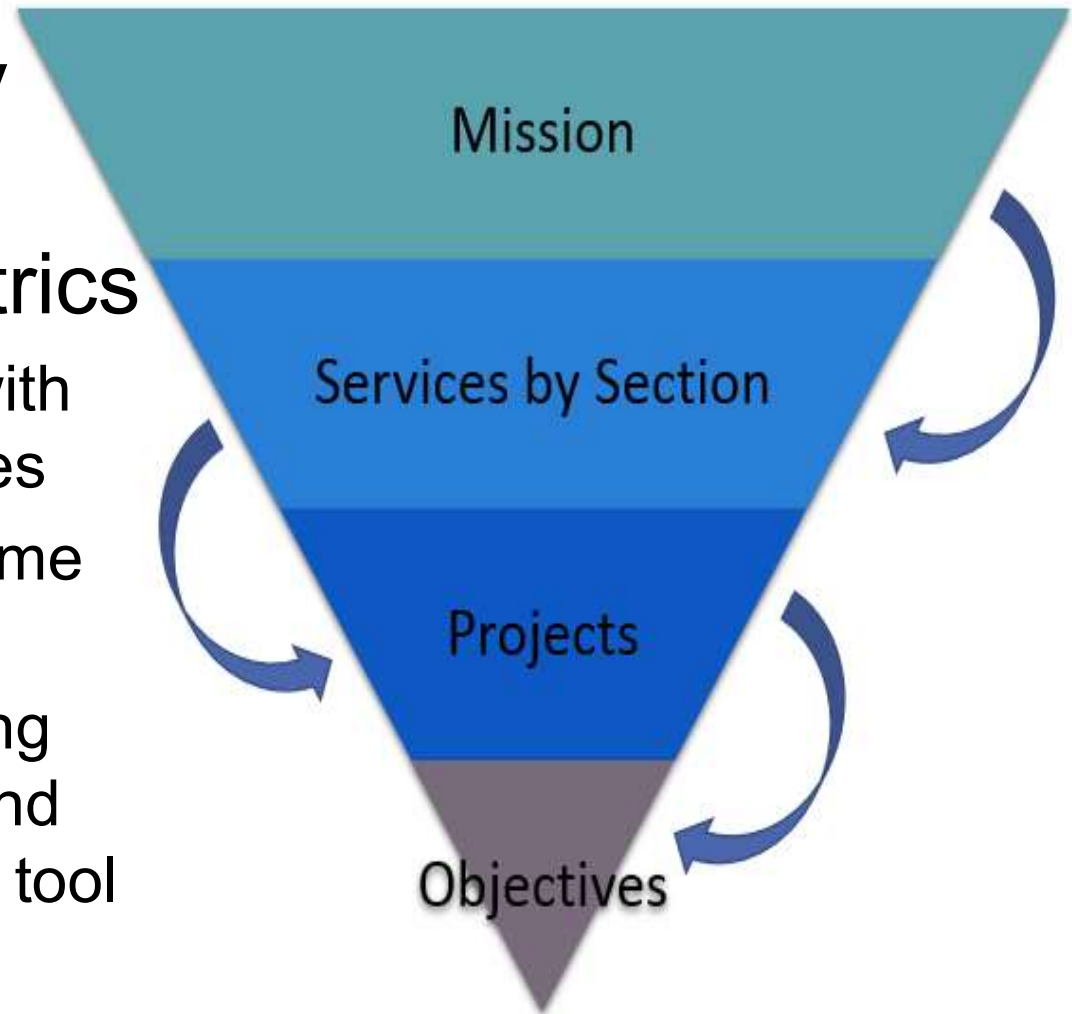| Existing Performance Measures	If this area is BLANK for your section, review section below (Industry Research & Related PMs) to establish new performance measures.		
	• P117: Invoices paid within 30 days of invoice receipt • P255: Resolve posting date issues between 61 days and older within the Goods Receipt/Invoice Receipt (GRIR) Liability Report • Resolve posting date issues between 31-60 days in the Goods Receipt (GRIR) Liability Report	• P114: Process time for Purchase Orders (business days) • P115: Process time for Request for Bid (RFB) (business days) • P116: Process time for Request for Proposal (RFP) (business days)	• Need performance measures
Industry Research & Related PMs	Do you have access to this data? Is this something you would like to know about your department or would like to know (is this meaningful)?		
	• Vendor Pay... • # of vendor trai...completed by due date	• % of actual contract awards/rebids completed within projected time • Contract usage dollars of statewide contracts/ % of spend on statewide contracts	• Processing time for TRF approval • Total processing time, look at executive review and department review process—add to dashboard

Planning & Brainstorming Matrix

- Small group activity, each group/table writes list of services for their assigned department

  1. Break department into 2-3 sections*

     *section = group of services on an org chart

  2. Each group builds list of services for assigned department

     o 3-5 bullets per section
     o Start all with **action word**

- Use this tool to capture the:

  ✓Mission

  ✓Services

Projects/Objectives

- **Bernalillo County tracks as part of performance metrics**
  - ✓ Short-term metrics with beginning & end dates
  - ✓ Usually tied to one-time funding request
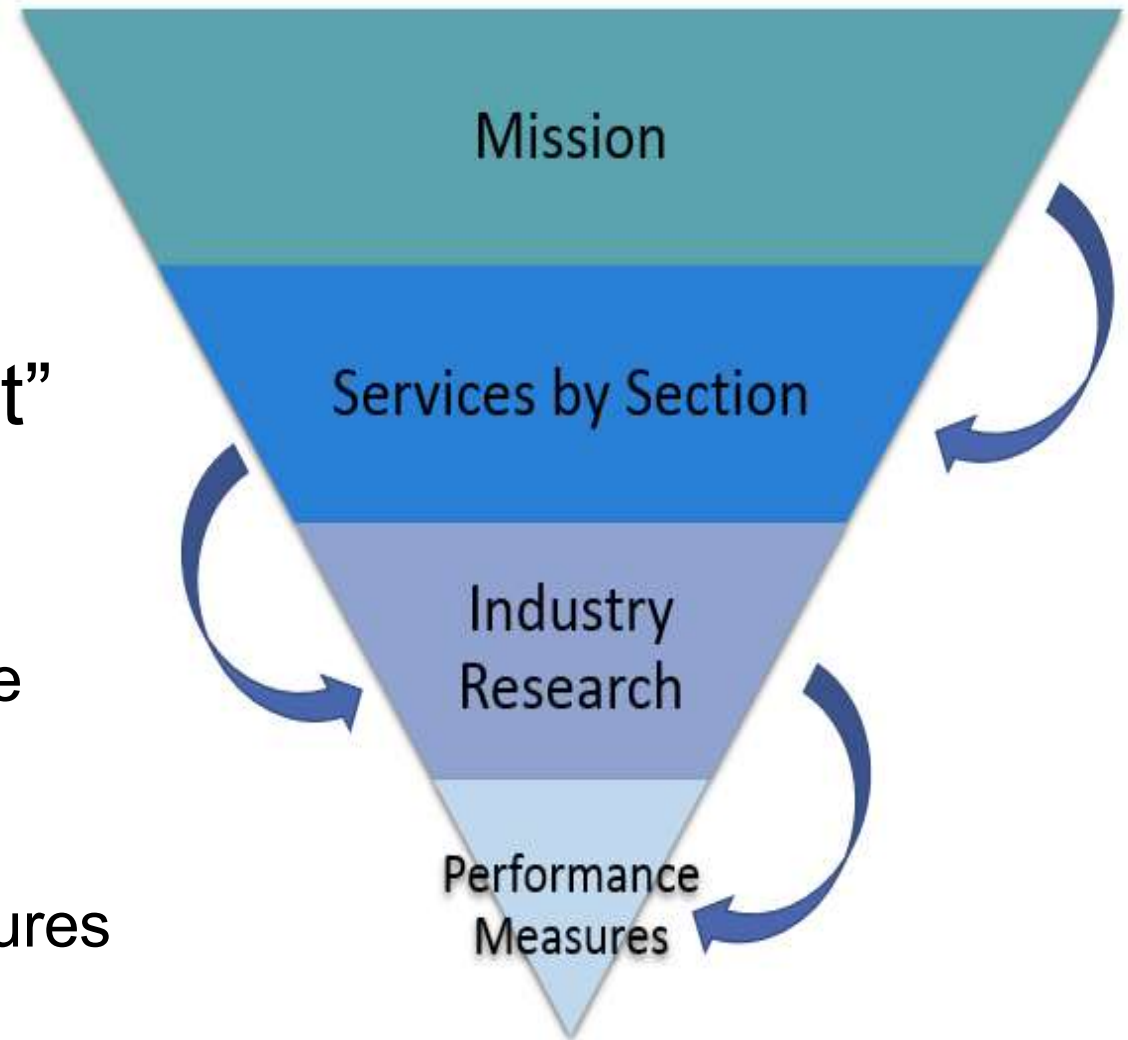 - ✓ Prioritization & filtering using the Planning and Brainstorming Matrix tool

Mission

Services by Section

Projects

Objectives

Question

How does your organization track projects/initiatives?

Building a Measure

- **Look at action words in the department's services – "what" do they do?**
  - ✓ Determine what to measure from those action words
  - ✓ Develop 3-5 performance measures

Mission

Services by Section

Industry Research

Performance Measures

Measuring What Matters – Building Performance Measures

- Performance Measure Statements should be….
  - ✓ Simple and understandable
  - ✓ Tied directly to services provided by the department
  - ✓ Start with action word
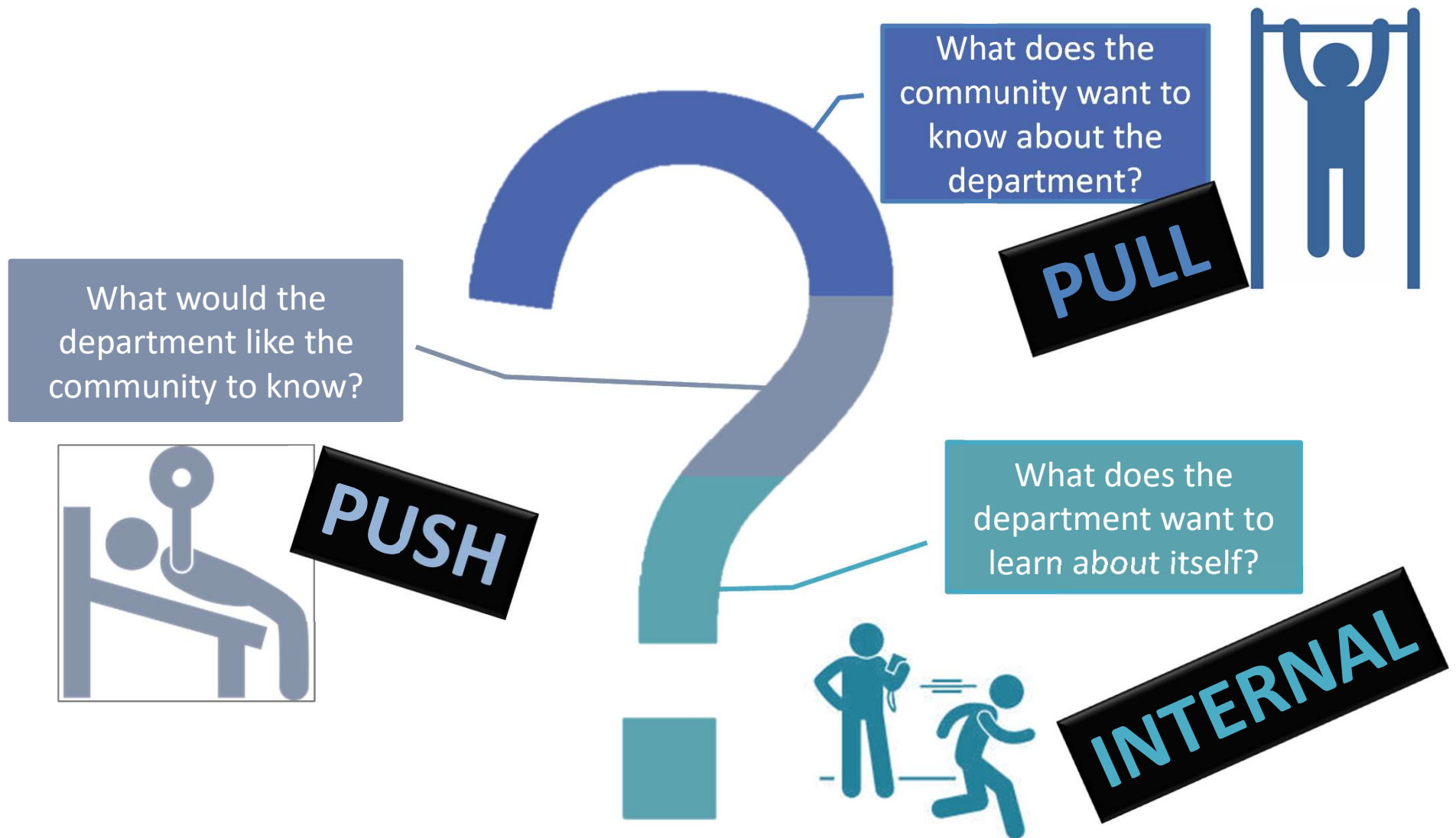- Targets & timeframes should be included in the other fields for reporting (e.g. targets by fiscal year)

Good

Respond to internal issues within 3 business days (%)

Bad

All internal issues will be responded to within 3 business days 100% of the time (%)

Measuring What Matters – Building Performance Measures

1. Conduct Measuring What Matters activity for your group's assigned department

   ➢ Come up with at least 3 Performance Measures for each of the 3 questions

2. Add those Performance Measures on the Planning & Brainstorming Matrix

   ➢ Add by Section for your assigned department

Procurement and Business Services
Planning & Brainstorming Matrix

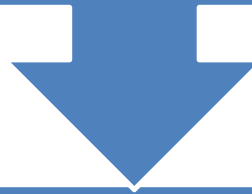|	Accounts Payable	Purchasing	Travel
Why do we exist? (Mission)	The Procurement and Business Services Department continuously strives to deliver the highest level of customer service to user departments and vendors while ensuring purchases and vendor payments are in alignment with state statutes and that solicitations are transparent, fair and competitive while providing the utmost value to maximize public funds.		
What do we do? (Services)	*Review and identify any significant changes – highlighted sections indicate areas for potential performance measures*		
	• Issue prompt and accurate payments; transfers and disbursements to vendors, employees and others • Maintain the Vendor Master File • Disburse Internal Revenue Service (IRS) Form 1099 to applicable vendors and file with the IRS	• Procure tangible personal property, services and construction for all county departments including management and oversight of all procurements utilizing federal, state, and local appropriations • Manage contracts • Maintain the Credit Card Program	• Review and approve the Travel/Registration Form (TRF) after submission by the Travel Liaison (TL) • Ensure that employees are assigned a credit card with travel permissions • Ensure that travel advances and reimbursements checks processed • Verify travel-related expenditures are reconciled properly by the Reconciler and the Travel Liaison

Objectives – Short-term initiatives, or projects, with a beginning and end date, action steps and a measurable target that achieves the county's business strategies (e.g. efficiency, effectiveness, innovation, cost reduction, transparency).

	Accounts Payable	Purchasing	Travel
Projects, Priorities & Initiatives	*What is planned for FY21/22?* *Add upcoming projects, initiatives & priorities. This will be used to identify potential new objectives. Not all items listed will become an objective tracked through the performance process.*		
	• Archiving vendors – should be complete FY20 • Automate PO close process	• Pay equity preference • Contracts in OpenGov •	• Implement automated advances • Implement automated reimbursement • Implement multi travelers – FY21/22
Existing Objectives	*Review existing objectives. If complete prior to 6/30/20, establish new objectives.*		
	•	• O165 Reduce the number of desktop printers, network printers, copiers for move to Alvarado Square - complete • O166 Implement electronic bids for online solicitation	•
New & Carry Forward Objectives	*After projects, initiatives & priorities for FY21/22 are identified, as well as existing objectives, determine which will be tracked as...*		
	•	•	

Performance Measures – Services performed that are measurable and strive to achieve targets that align to the county's busi... egic plan goals.

Add in Performance Measures by Section

	Accounts Payable	Purchasing	Travel
Existing Performance Measures	*If this area is BLANK for your section, review section below (Industry Research & Related PMs) to... new performance measures.*		
	• P117: Invoices paid within 30 days of invoice receipt • P255: Resolve posting date issues between 61 days and older within the Goods Receipt/Invoice Receipt (GRIR) Liability Report • P256: Resolve posting date issues between 31-60 days in the Goods Receipt/Invoice Receipt (GRIR) Liability Report	• P114: Process time for Purchase Orders (business days) • P115: Process time for Request for Bid (RFB) (business days) • P116: Process time for Request for Proposal (RFP) (business days)	• Need performance measures
Industry Research & Related PMs	*Do you have access to this data? Is this something you would like to know about your department or want others to know (is this meaningful)?*		
	• Vendor Payment Error Rate • # of vendor training completed by due date	• % of actual contract awards/rebids completed within projected time • Contract usage dollars of statewide contracts/ % of spend on statewide contracts	• Processing time for TRF approval • Total processing time, look at executive review and department review process—add to dashboard

What are others measuring?

What is everyone else measuring?

Does it make sense for us to measure?

If yes, consider creating a measure	If no, move on

- Lots of information out there…
  - ➢ Refer to **Resource** section at end of this presentation for more ideas/links on how to do this

Look at Industry Research for Department

- How does this compare to the measures you developed?
- What are some of the measures you see a lot of?
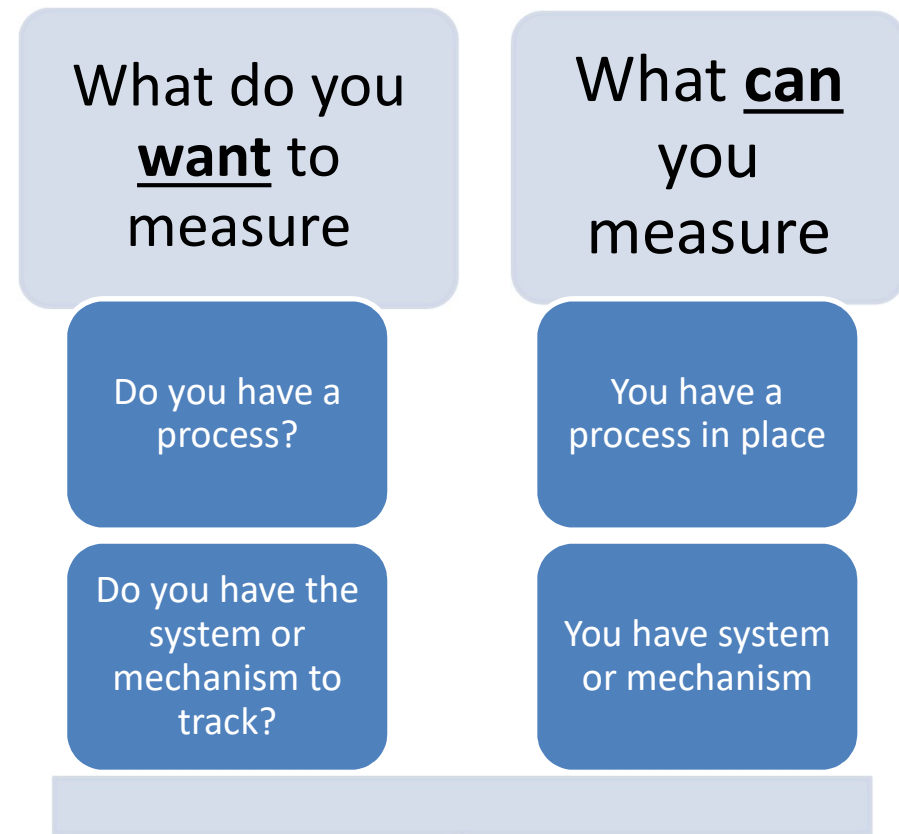- Would you considering adding those measures?

Agency Name	Agency Department	Bernco Section	Services	Performance Measure	Target
San Mateo County	Information Technology	Infrastructure	Help Desk	Median Number of Minutes to Respond to High Priority Incidents	60 mins
San Mateo County	Information Technology	Infrastructure	Help Desk	Service Desk First Call Resolution	
Sedgwick County	Information Technology	Infrastructure	Help Desk	Percent of Helpdesk calls resolved within one hour	
City of Centennial	Information Technology	Infrastructure	Repairs/Upgrades	Server patch percentage	0.98
Augusta County	Information Technology	Infrastructure	Repairs/Upgrades	Percent of Upgrades and Implementations Completed on Time	
Broomfield Colorado	Information Technology	Infrastructure	Repairs/Upgrades	PC, laptop or thin client replacement	
Miami-Dade County	Information Technology	Infrastructure	Repairs/Upgrades	Percentage of computer equipment repairs completed within 48 hours	0.93
Miami-Dade County	Information Technology	Infrastructure	Repairs/Upgrades	Percentage of telephone equipment repairs completed within 48 hours	0.93
Ramsey County	Information Services	Infrastructure	Repairs/Upgrades	% County computers exceeding the 4-year refresh cycle	
Sedgwick County	Information Technology	Infrastructure	Repairs/Upgrades	Percent of network repairs within four hours	
Accomack County	Information Technology	Infrastructure	Satisfaction	Average Customer Satisfaction Score	0.7
Accomack County	Information Technology	Infrastructure	Satisfaction	Average Customer Satisfaction Score	70% Very Sati
City of Flagstaff	Information Technology	Infrastructure	Satisfaction	Customer surveys returned with an overall rating of satisfactory or better	0.95

What you want to measure vs. What you can measure

- ## What about that "what" do you want to measure?
  - ➤ **Action word in services** → <u>what about it do you want to measure?</u>

What do you **want** to measure	What **can** you measure
Do you have a process?	You have a process in place
Do you have the system or mechanism to track?	You have system or mechanism

Remember this is journey, just because you can't measure it today doesn't mean you should just give up. Maybe you need to establish an objective to develop a process or get a system.

Measure What Matters!!

- **Why is this measure important?**
  - ✓ If you can't answer this question, probably not a good measure…start over

My goal is to report **real numbers that mean something** to our process & can be **explained simply**

Duane Hamar
Solid Waste Manager, Bernalillo County

Use Performance Measure Template to Build a Measure

P114: PROCESS TIME FOR PURCHASE ORDERS (BUSINESS DAYS)

Measure Overview

#	Performance Measure	Strategic Plan Goal	Business Strategy
P114	Process time for Purchase Orders (business days) (#)	Government Accountability	Increased Efficiency

Statement

Goal

Strategy

Why is this measure important?

This measure is useful to determine Procurement Group productivity. Delivery of goods/services is dependent on prompt issuance of purchase orders to meet department requirements.

Why important?

Where does the data come from?

SAP SRM System; Excel spreadsheet

How is the measure calculated?

Sum the total number of days to process each shopping cart and divide by the total number of records to calculate the average

Who to contact if you have questions?

Renita Elder

Additional Information

Align the Measure to Strategic Plan

Government Accountability

Transparent & accountable use of taxpayer dollars

Public Safety

Community where residents are safe from crime & injury

Economic Vitality

Thriving, livable community with diverse economic opportunities

Community Health

Healthy and active community with access to cultural amenities

Public Infrastructure

Meet community needs by supporting infrastructure owned by county or for public use (e.g. roadways, facilities, systems)

Input, output, outcome…oh my!?!

Traditional Terminology

- **Input:** counting effort to do something #
- **Output:** counting how much we do #
- **Outcome:** how well do we do it?

Or just make it make sense…

Why are we doing this? Do we want to be more…

- Efficient
- Effective
- Reduce cost/mitigate risk
- Transparent
- Innovative

Align the Measure to a Business Strategy

Increased Efficiency
Doing things in the right manner. Is efficiency increased by doing work faster, with fewer resources or less overtime?

Increased Effectiveness
Doing the right things. Is effectiveness increased by eliminating errors or better meeting the public need?

Cost Avoidance / Risk Mitigation
Are risks being mitigated? Are costs being avoided?

Transparency
Is visibility enhanced? Is there transparency?

Innovation
Are processes and technologies being used to do things differently, implement new ideas, or enhance services?

Build Your Performance Measure

1. Group picks one performance measure to further develop for their department

2. Build "Why is it Important" statement for that performance measure

    ➢ Summarize all the ideas from the group into 1-2 sentences that explain why this measure is important

    ➢ Public perspective, layman's terms

3. Align measure to Goal

4. Align measure to Business Strategy

Where will the data come from?

- If it's something you **can** measure...ask these questions:
  - ✓What system will the data come from?
  - ✓What process is in place to collect the data?
- Make sure….
  - ✓Value of the data > effort to collect the data

Where will the data come from? EXAMPLES

Where does the data come from?
Staff, internal tracking

Where does the data come from?
SAP

Where does the data come from?
Housing department's monthly financials

Where does the data come from?
Field/sign inventory database; Retro reflectometer

Where does the data come from?
Work activity log; Excel spreadsheet

This question seems simple. You may be surprised at the responses you get...it's important to have a shared understanding of where the data is coming from

How to calculate?

- ## Define the math…
  - ### Important to ensure shared understanding
    - You, them, the public

This helps to avoid confusion and misunderstanding the data. Spell it out in plain language.

How is the measure calculated?
Running count-station visits

How is the measure calculated?
Count number of shade structures installed

How is the measure calculated?
Percent of program action steps complete

How is the measure calculated?
Average the number of days to close normal priority work order in reporting period

How is the measure calculated?
Recycle tons plus brush tons divided by total waste tons (recycle + MSW + brush) x 100 = waste diversion rate

Who to contact for questions?

- **Establish a Subject Matter Expert for each measure**
  - Person "closest" to the data is ideal…they:
    - Can explain variances
    - Can run reports
    - Own the process (or know it very well)
  - Cut out the 'middle man' to avoid confusion

Who to contact if you have questions?

Ed Martinez

Who to contact if you have questions?

Mark Griego

Can you set a Target?

- **Target is where you want to be** (no, not the store ☺)
- **Target setting is important!**
  - ✓ If it comes naturally….you probably have a good measure
  - ✓ If it doesn't, then maybe it's an 'indicator' (but not a performance measure)
    - ➢ Not in your control, decide if it's still important to measure

Set the Target

- Targets can….
  - Tell us where we 'want' to be
  - Help define the timeframe (% of project complete)
- Target is a lot like the budget, it's the plan

FY19 TARGET

338

# of rentals

FY20 TARGET

343

# of rentals

Use Targets to Define Timeline

- **Budget reporting is Fiscal Year based**
  - Do the same for performance measures
  - Ease budget book reporting
- **Can use targets by FY to define project timelines**
  - Example: 50% complete this year and the remaining 50% next year
  - Stay out of the details, focus on big picture

Track Actuals

- Track how actuals are **trending** against the target
  - How are we doing?
    Keep it simple:
    - ➢ **On Target**
    - ➢ **Improving**
    - ➢ **Needs Focus**
  - Celebrate success or…
  - Develop action plan

O137: Installation of shade structures for existing county playgrounds and bleachers for county facilities (Land Management)
On Target

O112: Improve family and community engagement by increasing participation in Homework Diner Grows Wings
Improving

P7: Constituent requests responded to within 1 business day - Bureau of Elections (BOE) (BOE)
Needs Focus

How often to track?

- **Select appropriate reporting frequency**
  - What makes sense for the measure?
  - Depends on what you are tracking
    - Monthly
    - Quarterly
    - Semi-Annual
    - Annual
    - Biennial
  - What works for your organization?

How Much to Measure

- It's up to you…what makes sense for each department
  - Small departments – a few
  - Large departments – a few per section

- Just start somewhere

Tracking Tools

Tracking Tools

Spreadsheets

- Everyone has them
- Easy to build
- Need it for the budget book
- More manual to manage the data
- Can easily build graphs

Dashboards

- Need resources
- Need time to build
- Build it once, then load data
- Interactive
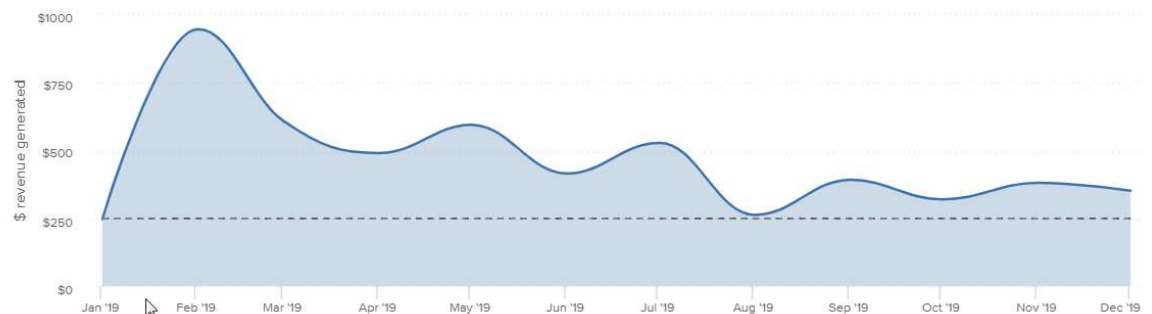- Makes data understandable

Graph it!

- ## Easier to understand than tables of data
- ## Visual comparison of target vs. actuals

Easier to see trends this way & easier to identify anomalies or data calculation issues

ACCOUNTING DEPARTMENT
Phone: (505) 468-1694 Fax: (505) 468-1411
415 Tijeras NW, Albuquerque, NM 87102
http://www.bernco.gov/accounting/

Performance Measures

Performance Measures	Actuals Qtr 1	Actuals Qtr 2	Actuals Qtr 3	Actuals Qtr 4	YTD Actuals	2014 Target
Months closed within 30 days	3	3	3		9	12 EA
Published financials by Dec 31	N/A	N/A	N/A		N/A	1 EA
CAFR to State Auditor by Nov 15	N/A	1				
GFOA Certificate Received	N/A	NA				
Assets inventoried by end of year	0%	33%				
Audit Opinion is unqualified	N/A	1				
Payroll Accuracy Rate	100%	100%				
Invoices paid by due date	74%	82%				
% warrants that are accurate	98%	99%				

O146-1: Implement New Handling Fee for Online Orders ($)

Make it Transparent

- ## Use your webpages
  - Takes time and effort, but worth it to build trust
  - Don't need elaborate tools to do this

Lessons Learned

Lessons Learned

DOs

DON'Ts

- ## Lake Forest
  - Expect a long process
  - Expect resistance
  - Avoid the term "benchmarking" at least to start
  - Allow departments to participate in the development of their measures
  - Ensure support at the top

Lessons Learned

- **Bernalillo County**
  - Make it important!
    - Meet to review
    - Make it transparent
  - Keep it simple!
    - Don't make the metrics too hard to understand
    - It doesn't have to be complicated to be good
  - Skip the parts that no one is looking at & no one understands…do something else
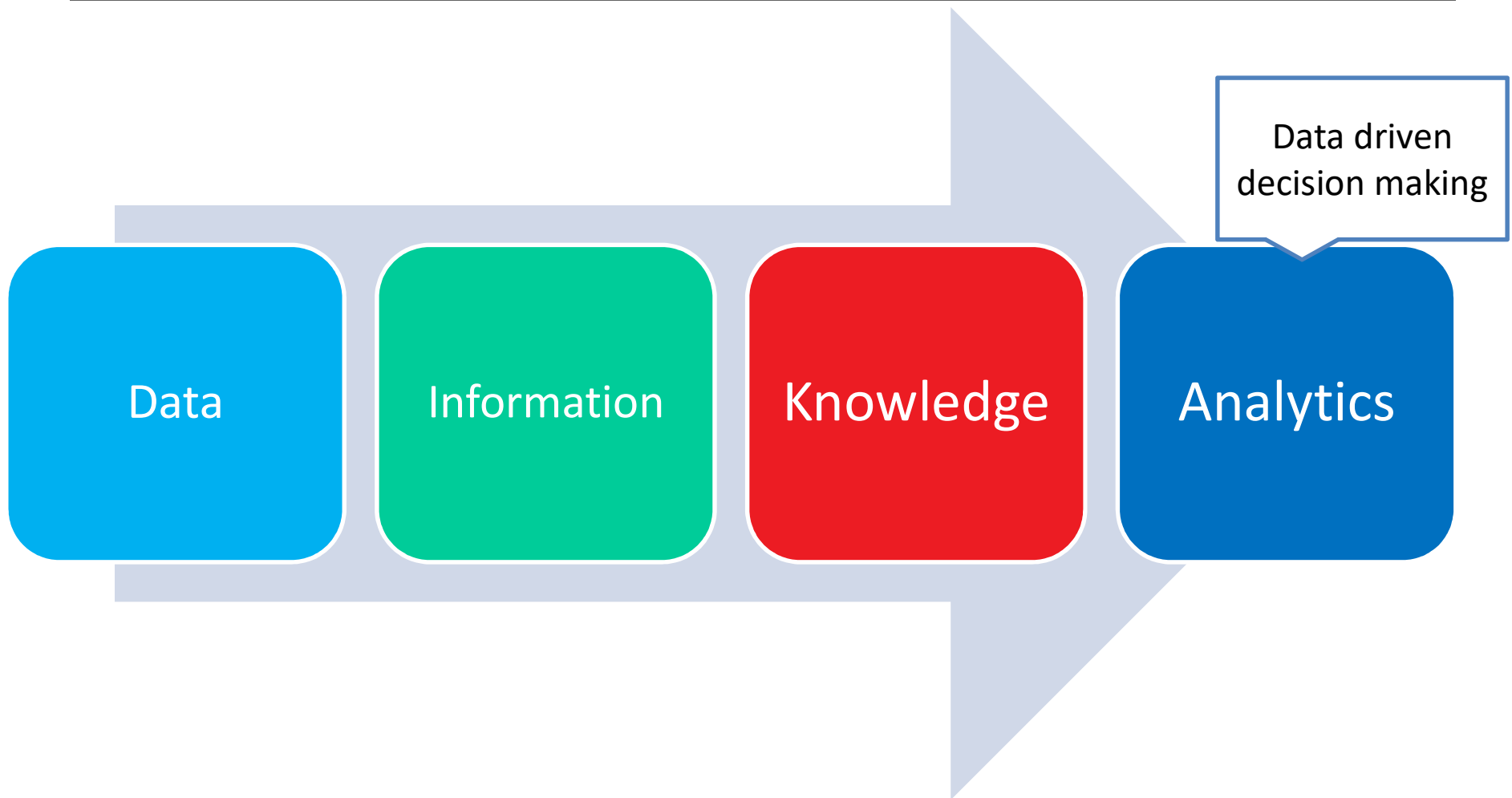
Lessons Learned

- **Bernalillo County**
  - Tell the story
  - Changing the culture takes time
    - ➢ **YOU** have to **BE THE CHANGE**
  - Celebrate small successes
  - Learn from failure, adapt

Keep Evolving

Performance Measures are Everywhere

- Budget variances are a measure of performance
  - Budget vs. end of year projection
  - Budget percentage increase over last year's budget
  - Percent increase in revenues year over year compared to cost of living

Thank You for Participating!

- Training Feedback

- CPE Credits

- Parting Advice

Resources

Bernalillo County Strategic Plan & Department Performance Webpages

- http://www.bernco.gov/finance/strategic-plan-and-department-performance.aspx

1. Drill to Department Performance section, click through the divisions to find the department you want to look at

General Services Division

Constituent & Support Services

Procurement & Business Services

2. Look at performance measures for this department

3. Click Industry Research

Matrix, Meeting Agenda, & Industry Research

Industry Research

Agency Name	Agency Dep	Bernco Section	Services	Related PM	Performance Measure
City of Tempe	Finance & Technology	Purchasing	PO		Compare the purchase order dispatch date/invoice date (%)
City of Tempe	Finance & Technology	Purchasing	PO		Subrogation recovery totals
City of Tempe	Finance & Technology	Purchasing	PO		Lower cost purchases made through annual contracts (%)
City of Tempe	Finance & Technology	Purchasing	Procurement		Conformity to American Bar Association Model Procurement Code (%)
rving	Financial Services	Purchasing	Purchases		Avg Days to advertise solicitations
rving	Financial Services	Purchasing	PO		Purchasing Overall Service as Good or Excellent

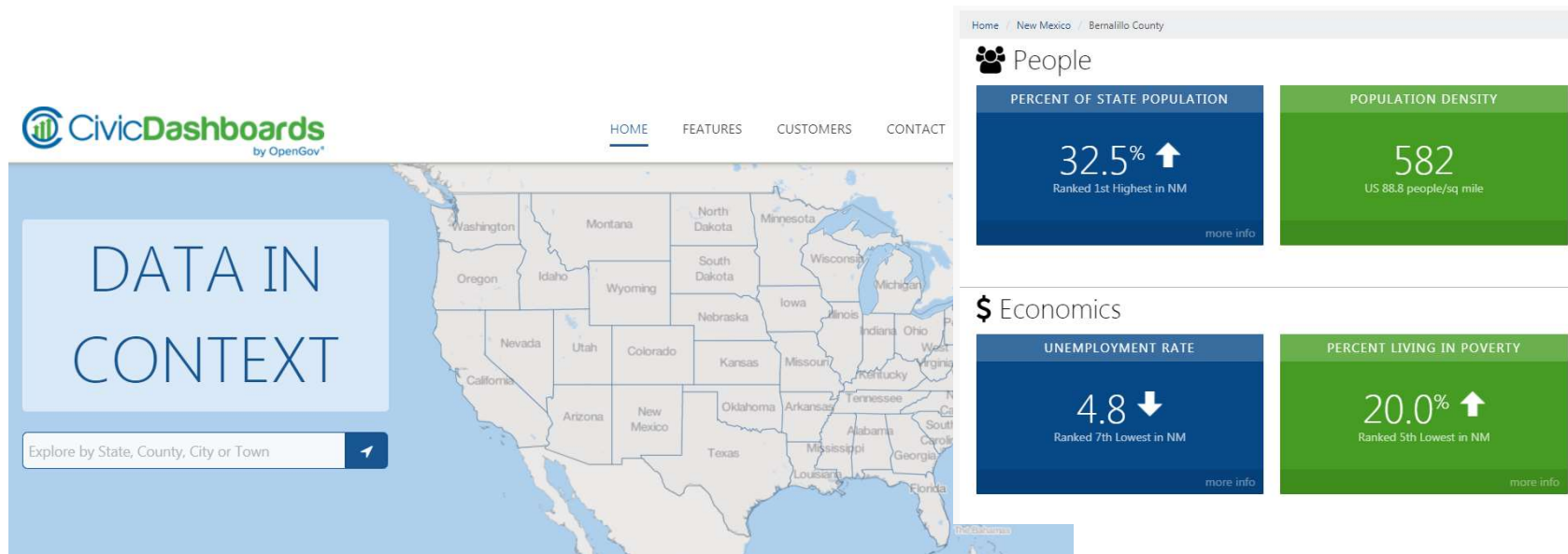
Civic Dashboards

- http://www.civicdashboards.com/

1. Search for your city, county, state

Provides info population, unemployment, income, crimes, housing, building permits, insurance, education

2. Click on Compare to compare to other cities, counties

COMPARE

ICMA Open Access Benchmarking

- https://icma.org/documents/icma-open-access-benchmarking-data-and-definitions

DOWNLOAD

This spreadsheet shows the 80 key performance indicators (and 54 county-specific indicators) used in ICMA's Open Access Benchmarking initiative, a no-fee approach to local government performance comparisons. Download the file to access data that's been collected so far and use the response forms to submit your own data to the database.

	Measure Type	Service Area	Measure Name	Average: All Responses
A1	Outcome	Code Enforcemt.	Code Enforcement cases resolved through forced compliance	2,323
A2	Outcome	Code Enforcemt.	Average calendar days, Inspection to forced compliance	156
A3	Outcome	Code Enforcemt.	Average calendar days, Inspection to voluntary compliance	39
A4	Outcome	Code Enforcemt.	Percentage of cases resolved through forced compliance	11%
A5	Output	Code Enforcemt.	Total code cases available for resolution during the reporting period	11,743
A6	Efficiency	Facilities	Admin/office facilities, Custodial	$1.70

Look to others doing it well

GFOA Performance Recognition Award Winners

- https://www.gfoa.org/award-programs/distinguished-budget-presentation-award-program-budget-awards-program

Government Finance Officers Association

Distinguished Budget Presentation Award Program (Budget Awards Program)

› **Most Recent Award Results Sorted by State/Province: Budget Years Beginning 1/1/2019** (Winners through September 30, 2019)

› Award Results Sorted by State/Province: Budget Years Beginning 1/1/2018 (Winners through September 30, 2019)

› Award Results Sorted by State/Province: Budget Years Beginning 1/1/2017

› Award Results Sorted by State/Province: Budget Years Beginning 1/1/2016

ICMA Performance Award Winners

- https://icma.org/certificates-in-performance-management

Certificates in Performance Management

ICMA Certificates in Performance management bring your jurisdiction the recognition it
and communication.

As part of ICMA's efforts to advance the practice of professional
local government management, ICMA awards certificates each
year to recognize programs that instill a culture of performance
management, pursue comparative analysis and data-informed
decision-making, and promote transparency. Certificates of
Excellence (highest level), Distinction, and Achievement honor

Leading Practices Among Past Certificate Recipients

Here is a selection of programs and presentations that exemplify the certificate criteria.
examples are presented according to individual categories, qualification for a certificate
achieved on all certificate criteria.

Category: Public Reporting

Use of graphs, color-coding, dashboards, etc., to highlight performance above/below exp
significantly from past or comparable data. Examples:

Fair Administration of Justice, Austin, Texas (2019)

Public Health Scorecard, San Francisco, California (2018)